

NOTICE OF PROPOSED RULE REPEAL AND REENACTMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

- Agency: Insurance - Administration
Room no.: 3110
Building: STATE OFFICE BLDG
Street address 1: 450 N MAIN ST
Street address 2:
City, state, zip: SALT LAKE CITY UT 84114-1201
Mailing address 1: PO BOX 146901
Mailing address 2:
City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
---------------	--------------	--------------	------------------

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 34953 Date filed: 06/20/2011 02:52 PM
State Admin Rule Filing Key: 151221
Utah Admin. Code ref. (R no.): R 590 - 142 -

Title

- Title of rule or section (catchline):
Continuing Education Rule.

Notice Type

- Type of notice: Repeal and Reenact

Rule Purpose

- Purpose of the rule or reason for the change:

This rule is being updated for the first time in 15 years to comply with Continuing Education (CE) changes in the law and to be consistent with updated processing methods used by the department. The 2005 Legislature passed HB60 which changed CE requirements. Standards and requirement in this rule regulate CE providers, of which there are around 430, and Utah insurance resident insurance producers and adjusters, of which there are around 22,000. It should be noted that half of the CE course credits can be provided by an insurer. The department does not know what, if anything, insurers charge for these courses.

Response Information

- This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule or change:

Procedures and requirements being dropped: The requirement for 12 hours of CE has been eliminated. Most of the Definitions have been replaced. Nonprofit Provider is the only definition remaining the same. The 14 day course filing requirement has been changed to 30. Examples of subject areas that qualify for course credit and those that do not qualify have been changed. Course providers are no longer required to submit to the department a paper list of licensees that have completed their courses. It is no longer necessary for the department to manually input this information on the computer. The reporting requirement to the department and proof submitted to the student of their CE course completion was changed from 60 to 14 days. New procedures and requirements: An Authority section has been added to the rule. The authority has been expanded to include Chapter 2 (general rulemaking authority) and 35 (Bail Bond) of Title 31A. The rule no longer refers to a specific number of CE hours required. Instead it refers to code requirements in 31A-23a-202, 31A-26-206 and 31A-35-401.5. The Definition section has new definitions for: Classroom Course; Credit Hour; Designated Internet Site; Home-Study Course; Insurance Related Instruction; Monitoring of a Student; and Provider. Course providers are now required to report course completion credits on-line to a designated internet site on each student completing a course. Course filing requirement has been changed from 14 to 30 days. The reporting requirement to the department and proof submitted to the student of their CE course completion was changed from 60 to 14 days. Providers are to report to the department administrative action or criminal prosecution taken against them. More detail included on process of reinstating an inactivated provider registration. Enforcement and Severability sections have been added. As per 31A-23a-202(3)(e), department published a list of professional designations whose CE requirements can be used to meet the required number of CE hours.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

The department is updating the rule to comply with changes in the law made in 2005 along with changes in the processing methods since then. This will have no fiscal impact on the department or the state's budget now.

B) Local government:

Affected: No

This rule deals solely with the relationship between the department and its licensees and CE providers. It will have no effect on local governments.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

The rule focuses on CE course providers and insurance producers and adjusters. When the law changed requiring all but bail bond producers to double their CE requirements every two years, CE course providers would have seen a significant increase in their business from individual Utah insurance licensees. Providers charge anything from \$10 to \$15 per credit hour and some providers based in all states charge around \$40 for 24 credit hours.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

The rule focuses on CE course providers and insurance producers and adjusters. When the law changed requiring all but bail bond producers to double their CE requirements every two years. Individual licensees, or the agencies for which they are designated, would have seen an increase in their cost to maintain the individual licensees' CE requirements. Providers charge anything from \$10 to \$15 per credit hour and some providers based in all states charge around \$40 for 24 credit hours.

Compliance Cost Information

8. Compliance costs for affected persons:

CE providers would have likely seen an increase in their income as a result of the CE requirement being increased for from 12 to 24 hours for most individual licensees. Filing for class approval and course completion credits is now done electronically. As a result nationwide standard for submitting this information has decreased from to approximately 14

days from the date the course is completed. The impact of the increased number of CE hours is felt by either the individual licensee or the agency for which he/she works, if the agency is paying the fee. It should be noted that licensing and continuing education credit hour guidelines are established through the National Association of Insurance Commissioners. Most states have adopted these guidelines.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

CE providers would have likely seen an increase in their income as a result of the CE requirement being increased from 12 to 24 hours for most individual licensees. Filing for class approval and course completion credits is now done electronically. As a result nationwide standard for submitting this information has decreased from to approximately 14 days from the date the course is completed. The impact of the increased number of CE hours is felt by either the individual licensee or the agency for which he/she works, if the agency is paying the fee. It should be noted that licensing and continuing education credit hour guidelines are established through the National Association of Insurance Commissioners. Most states have adopted these guidelines.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, insurance commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-2-201

31A-23a-202

31A-26-206

31A-35-401.5

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

08/15/2011

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

08/22/2011

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
insurance continuing education

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information
Specialist

Date (mm/dd/yyyy): 06/20/2011